



# Cibolo Parkway

Project Update / Status

June 11, 2018

# The Project



The Project is currently defined as the design, development, financing, construction, operation and maintenance of a new toll road extending approximately 6 miles from the intersection of Weil Road and FM 1103 in Cibolo, Texas thru and southward to IH-10. The Project anticipates the 'turn-back' of FM 1103 from TxDOT from FM 382 (Old Wiederstein Rd. at Cibolo's City limits) to FM 78 after TxDOT has completed their improvements, and then the addition of express lanes and overpasses at Green Valley, Orth, and Saddle Spoke.

The Project is part of the City's adopted thoroughfare plan and will partially satisfy the demands for a new thoroughfare in the City. It will provide for a new transportation corridor to IH-10 that will allow for better utilization of existing but underutilized capacity on IH-10 entering and exiting the San Antonio metropolitan area. The development of the Project will enable more residential and commercial development within the City and will give local residents and businesses better access to employment centers located along both IH-10 and in the City of San Antonio, Texas.

# Project Development

## Phase I – Pro Forma Analysis



- I. Traffic and Revenue Study Report
- II. Project Cost Estimate
- III. Preliminary Financing Plan
- IV. Pro Forma Analysis Results



# Traffic and Revenue Study Report

- As previously stated, one of the biggest transportation infrastructure challenges facing the City is high traffic volume and increased congestion along and adjacent to the FM 1103 corridor.
- Pursuant to the Development Agreement as a part of our Project Development, we engaged Stantec Consulting Services Inc., a nationally renowned traffic engineering firm, to prepare an Investment Grade Traffic & Revenue Report. This Report is an independent third party estimate of future traffic and revenue related to the Project. We have attached as a part of this update a copy of that final report dated May 11<sup>th</sup>, 2018.

# Traffic and Revenue Study Report



## Introduction of Stantec for Presentation to City Council



# Traffic and Revenue Study Report

**Table ES.9: Cibola Parkway Annual Transactions and Gross Toll Revenue Forecasts (2016\$)**

Calendar Year	Annual Transactions with ramp up						Annual Revenue with ramp up (\$)					
	Passenger Cars		Trucks		Total	Transaction Growth	Passenger Cars		Trucks		Total	Revenue Growth
	ETC	PBM	ETC	PBM			ETC	PBM	ETC	PBM		
2022	2,150,704	1,756,703	70,558	50,290	4,028,255		\$1,577,097	\$1,707,606	\$149,636	\$142,270	\$3,576,610	
2023	2,837,638	2,211,013	92,933	63,211	5,204,794	29%	\$2,078,769	\$2,147,438	\$196,908	\$178,691	\$4,601,807	29%
2024	3,584,274	2,671,376	117,203	76,271	6,449,124	24%	\$2,623,401	\$2,592,443	\$248,125	\$215,453	\$5,679,423	23%
2025	4,181,537	2,988,374	136,539	85,211	7,391,661	15%	\$3,058,087	\$2,897,734	\$288,845	\$240,531	\$6,485,196	14%
2026	4,380,547	3,008,552	142,853	85,675	7,617,628	3%	\$3,201,284	\$2,914,975	\$301,995	\$241,669	\$6,659,923	3%
2027	5,496,452	3,921,066	178,958	112,306	9,708,782	27%	\$4,243,056	\$4,022,406	\$400,143	\$334,731	\$9,000,336	35%
2028	6,390,713	4,228,792	207,402	121,036	10,947,943	13%	\$4,993,639	\$4,386,480	\$469,566	\$364,589	\$10,214,273	13%
2029	7,707,905	4,668,140	249,291	133,473	12,758,809	17%	\$6,093,125	\$4,902,455	\$571,215	\$406,830	\$11,973,625	17%
2030	8,644,238	4,885,999	279,011	139,450	13,948,698	9%	\$6,833,448	\$5,131,525	\$639,360	\$425,054	\$13,029,387	9%
2031	9,094,561	4,844,952	293,070	138,043	14,370,625	3%	\$7,189,563	\$5,088,666	\$671,615	\$420,771	\$13,370,615	3%
2032	9,530,493	4,822,590	306,707	137,191	14,796,981	3%	\$7,534,291	\$5,065,407	\$702,901	\$418,181	\$13,720,780	3%
2033	9,956,565	4,815,699	320,060	136,798	15,229,122	3%	\$7,871,215	\$5,058,378	\$733,532	\$416,989	\$14,080,115	3%
2034	10,376,252	4,821,866	333,233	136,792	15,668,144	3%	\$8,203,085	\$5,065,051	\$763,751	\$416,974	\$14,448,861	3%
2035	10,792,282	4,839,249	346,310	137,116	16,114,959	3%	\$8,532,058	\$5,083,492	\$793,746	\$417,968	\$14,827,264	3%
2036	11,206,841	4,866,421	359,357	137,729	16,570,348	3%	\$8,859,863	\$5,112,204	\$823,671	\$419,840	\$15,215,578	3%
2037	11,621,712	4,902,262	372,428	138,596	17,034,997	3%	\$9,187,912	\$5,150,014	\$853,649	\$422,486	\$15,614,060	3%
2038	12,038,381	4,945,884	385,567	139,690	17,509,523	3%	\$9,517,379	\$5,195,990	\$883,784	\$425,826	\$16,022,979	3%
2039	12,458,102	4,996,581	398,813	140,991	17,994,488	3%	\$9,849,256	\$5,249,392	\$914,163	\$429,795	\$16,442,607	3%
2040	12,881,956	5,053,782	412,200	142,481	18,490,419	3%	\$10,184,399	\$5,309,622	\$944,864	\$434,340	\$16,873,225	3%

Notes: 1) Forecast accounts for ramp-up.

# Project Cost Estimate



	Phase I-Cibolo Pky	Phase II
	2Ln UnDiv- Concrete	Express Flyovers
<b>FEASIBILITY ANALYSIS COSTS</b>	<b>8,000,000</b>	
<b>CONSTRUCTION COSTS</b>		
Prep ROW Clearing	924,453	300,000
Excavation	762,734	0
Embankment	4,065,171	0
MSE Retaining Wall	1,260,000	6,259,680
MSE Backfill - Select	222,222	829,280
Pavement - Cibolo Turnpike	11,919,769	3,375,645
Pavement - FM 1103	0	750,000
Pavement - Ramps	4,939,840	0
Pavement - Cross Streets	276,598	240,000
Concrete Barrier	408,240	0
Cable Barrier	0	250,000
Fencing	2,104,600	0
Bridge	14,652,880	2,121,600
Noise Barrier	187,500	2,730,000
Box Culvert & Pipe	3,000,000	5,978,000
Subtotal	44,724,006	22,834,205
Misc. Construction Subtotal	12,343,826	5,936,893
<b>Total Estimated Construction</b>	<b>57,067,832</b>	<b>28,771,098</b>
Utility Relocates	1,500,000	1,500,000
Environmental Mitigation	250,000	250,000
Hazardous Materials	0	0
Professional Services	11,942,971	7,004,220
ROW	10,000,000	2,000,000
Contingency + Escalation	5,706,783	5,754,220
<b>Other Project Costs Subtotal</b>	<b>29,399,754</b>	<b>16,508,439</b>
<b>Uses Total (Including Feasibility)</b>	<b>94,467,586</b>	<b>45,279,538</b>

# Preliminary Financing Plan



## ESTIMATED CASH FLOW FROM OPERATIONS

In 000's

Assuming Project Held Through 2092...	2022	2023	2024	2025	2026	2027
<b>Revenue</b>	<b>\$3,576</b>	<b>\$4,601</b>	<b>\$5,679</b>	<b>\$6,485</b>	<b>\$6,660</b>	<b>\$9,000</b>
<b>Expenses</b>	<b>\$1,625</b>	<b>\$1,763</b>	<b>\$1,878</b>	<b>\$1,935</b>	<b>\$2,175</b>	<b>\$2,327</b>
<b>Net Revenue</b>	<b>\$1,951</b>	<b>\$2,838</b>	<b>\$3,801</b>	<b>\$4,550</b>	<b>\$4,485</b>	<b>\$6,673</b>
<b>Capital Maintenance &amp; License Fee</b>	<b>(552)</b>	<b>(643)</b>	<b>(733)</b>	<b>(802)</b>	<b>(822)</b>	<b>(1,550)</b>
<b>EBITDA</b>	<b>\$1,399</b>	<b>\$2,195</b>	<b>\$3,068</b>	<b>\$3,784</b>	<b>\$3,663</b>	<b>\$5,123</b>

Phase 1 Estimated Total Capital Cost- \$115,000,000\*

Phase 2 Estimated Total Capital Cost- \$ 55,000,000\*

\*variables include but are not limited to cost of ROW, future interest rates and costs of construction





# Pro Forma Analysis Results

- Stantec has finalized the Investment Grade Traffic and Revenue Study Report and it represents the Project accurately as currently designed and planned per the Development Agreement. The T&R Study Report results as shown indicate and warrant a 2-lane facility.
- The proposed route and configuration for the Parkway/Tollway has been identified and cost estimates are based on that configuration. The ROW is being reconfirmed (with the narrower footprint), and ROW acquisition firms are being vetted before choosing one to begin land acquisition activities.
- KPMG, our financial advisor, is identifying and validating the Project's financial structure and a plan of action. Our targeted closing is the fourth quarter of this year, subject to market conditions.
- The Project and Financial Plan anticipates the turnback of FM 1103 after improvements.

# City Council Subcommittee Meetings



- On March 27, 2018 the City Council created a subcommittee to work with us on Project Enhancements.
- On April 23, 2018, the City Council Subcommittee and Public Werks had its first meeting. The following was discussed:
  - The City was interested in safety and speed enhancements.
  - The City asked us to identify potential alternatives which might facilitate the development of a 4-lane facility.
- On May 14, 2018, we had our second meeting and reported that increasing the size of the facility needed additional revenue to warrant the increase cost in construction and operations(*increase revenue and decrease costs*).
  - We were asked to consider a section similar to the TX-550 Toll Road (see slides herein)
  - TX-550 is a modified 2-Lane Divided Asphalt Roadway with a 10' Outside Shoulder, 14' Travel Lane, 4' inside Shoulder and 2' Barrier.









TOLL ROAD			
			PAY BY Mail
TWO AXLE VEHICLES	50.50	50.63	
EACH ADDITIONAL AXLE	50.50	50.63	

# Conclusion



- The Texas Turnpike Corporation thru its Cibolo Turnpike, L.P. has invested private capital, as prescribed in the Development Agreement with the City, in pursuit of the development and construction of the Cibolo Parkway. We anticipate a financial closing this fall.
- We have complied with the provisions of the Development Agreement, Project Development – Phase I Pro Forma, and as stated in January are moving forward with Project Financing to enable finalizing the development and begin construction of a greenfield, 6 mile, toll road project, plus the 2.6 miles of future improvements to the improved FM 1103 in Cibolo, Texas.
- We will continue with the necessary discussions with outside parties that will enhance the final outcome for the construction costs and net revenues for the Project. We both encourage and expect our partner, the City, to support our activities on their Project's behalf.
- If the City desires potential changes to the Development Agreement, we need to receive a timely request to change as soon as possible, so that all related factors are considered.